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**PRELIMINARY DRAFT**  
**No. 3559**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2005 GENERAL ASSEMBLY**

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**DIGEST**

**Citations Affected:** IC 4-4-6.1-1.1; IC 6-3.1-10.

**Synopsis:** Enterprise zone incentives. Allows a taxpayer to assign the enterprise zone investment cost credit. Provides that trusts, estates, corporations, and pass through entities that make qualified investments in enterprise zone businesses may claim the enterprise zone investment cost credit. (Current law allows only individuals to claim the credit, except in Vigo County where pass through entities are also eligible.)

**Effective:** January 1, 2006.





A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 4-4-6.1-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1.1. As used in this chapter, "zone business" means any entity that accesses at least one (1) tax credit or exemption incentive available under this chapter, IC 6-1.1-20.8, ~~or~~ IC 6-3-3-10, **IC 6-3.1-7, or IC 6-3.1-10.**

SECTION 2. IC 6-3.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. ~~(a)~~ As used in this chapter, "taxpayer" means any: ~~individual that has any state tax liability.~~

(1) person;  
(2) corporation; or  
(3) pass through entity;  
**that has any state tax liability.**

~~(b) Notwithstanding subsection (a), for a credit for a qualified investment in a business located in an enterprise zone in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000), "taxpayer" includes a pass through entity.~~

SECTION 3. IC 6-3.1-10-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 10. (a) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to another taxpayer. An assignment under this subsection must be in writing. A credit that is assigned under this subsection remains subject to this chapter.**

**(b) An assignment under subsection (a) must be reported on the state tax returns of the taxpayer and the assignee for the year in which the assignment is made in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (a) that exceeds the value of the part of the credit assigned.**





1       SECTION 4. [EFFECTIVE JANUARY 1, 2006] (a) IC 6-3.1-10-4,  
2       as amended by this act, applies to taxable years beginning after  
3       December 31, 2005.  
4       (b) IC 6-3.1-10-10, as added by this act, applies to taxable years  
5       beginning after December 31, 2005.

